

## Message Text

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PAGE 01 STATE 304810  
ORIGIN EA-04

INFO OCT-01 ISO-00 /005 R

66011

DRAFTED BY:EA/PHL:KWBLEAKLEY

APPROVED BY:EA/PHL:JSARTORIUS

-----122178 220835Z /11

R 220408Z DEC 77

FM SECSTATE WASHDC

INFO DOD/ISA

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FOLLOWING TELEGRAM FROM MANILA DATED DECEMBER 2, 1977  
SENT SECSTATE WASHDC IS REPEATED TO YOU: QUOTE

LIMITED OFFICIAL USE MANILA 19001

E.O. 11652: NA

TAGS: MILI, RP

SUBJECT: DEFENSE RATION CONTROL SYSTEM

REF: (A) STATE A-4422, NOVEMBER 3, 1977; (B) STATE 280955

1. SINCE THE REFERENCED GAO REPORT WAS PREPARED, THE GOVERNMENT OF THE PHILIPPINES (GOP) HAS SHOWN GREATER INTEREST IN DOING ITS SHARE TO CONTROL THE PROBLEM OF BLACKMARKETING OF US BX AND COMMISSARY GOODS IN THE PHILIPPINES. AT A TIME WHEN WE ARE ENCOURAGING PHILIPPINE AUTHORITIES TO CONTINUE WITH THE PROMISING START THEY HAVE MADE, OPEN PUBLICATION OF THE CRITICAL COMMENTS BY THE GAO ON PHILIPPINE GOVERNMENT PERFORMANCE IN THIS AREA COULD BE COUNTERPRODUCTIVE.

2. WE RECOMMEND THAT THE FOLLOWING SENTENCES BE CLASSIFIED  
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IN VIEW OF THIS CONSIDERATION:

A. DRAFT COVER LETTER TO SECRETARY OF DEFENSE:

1) PAGE ONE, SECOND PARA, SECOND SENTENCE:

"WE ALSO FOUND THE US IS ATTEMPTING TO CONTROL...  
BUT LITTLE OR NO COOPERATION IS BEING RECEIVED  
FROM LOCAL AUTHORITIES..."

2) PAGE 5, ENTIRE FIFTH PARA (CARRIES OVER INTO  
PAGE 6): "WE FOUND LITTLE OR NO EVIDENCE THE  
PHILIPPINE GOVERNMENT WAS COOPERATING...31 US FORCES  
PERSONNEL AT TWO BASES WERE ON LEGAL HOLD PENDING  
SETTLEMENT OF THEIR CASES."

3) PAGE 6, ENTIRE SECOND PARA : "ADDITIONALLY,  
US INVESTIGATIVE... MOST ARE STILL OPERATING."

4) PAGE 6, ENTIRE SEVENTH PARA : "THE US HAS BEEN  
IN THE FOREFRONT... PHILIPPINES GOVERNMENT COULD  
IMMEDIATELY STOP SUCH SALES IF UM SO DESIRED."

5) PAGE 7, THIRD PARA, SECOND SENTENCE: "MORE  
VIGOROUS ACTION COULD BE TAKEN...IN DISCOURAGING  
THE SALE OF THESE GOODS."

6) PAGE 8, ENTIRE SECOND SUBPARAGRAPH: "THE  
COMMANDER-IN-CHIEF...SHOULD MAKE THE COOPERATION OF  
PHILIPPINE AUTHORITIES...A CONDITION FOR NEGOTIATION  
OF US BASES AGREEMENT BETWEEN THE TWO COUNTRIES."

B) DRAFT REPORT (APPENDIX 11)

1) PAGE 3, FIRST PARA, LAST SENTENCE: "WE WERE  
ADVISED NOT TO ATTEMPT TO FILM...BECAUSE OUR  
PERSONNEL SAFETY COULD NOT BE GUARANTEED."  
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2) PAGE 7, ENTIRE FOURTH PARA (LEADING INTO  
PAGE 8): "THE PRACTICE OF USING PHILIPPINE  
COURTS...INVOLVING SOLICITATION OF DUTY FREE GOODS."

3) PAGE 8, ENTIRE SECOND PARA (LEADING INTO PAGE 9);  
"THE LEGAL HOLD SITUATION...IS FREE TO CONTINUE HIS  
OPERATIONS."

4) PAGE 9, ENTIRE SECOND PARA : "SEVERAL TIMES  
IN THE PAST...MOST WERE STILL OPERATING."

3. COMMENT. THE GOP IS BEGINNING TO MOVE IN THE RIGHT  
DIRECTION ON THE IMPORTANT PROBLEM OF BLACKMARKETING. THERE  
IS A REMOTE CHANCE THAT THE UNQUALIFIED CRITICISM CONTAINED  
IN THE GAO REPORT MIGHT ENCOURAGE THE GOP TO MOVE FASTER  
BUT THE LIKELIHOOD IS FAR GREATER THAT THESE CRITICAL  
OBSERVATIONS MIGHT TRIGGER AN EMOTIONAL REACTION WHICH  
COULD SLOW OR REVERSE THE PROGRESS NOW BEING MADE.  
NEWSOM  
UNQUOTE VANCE

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Concepts:** BLACK MARKETS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Number:** 1977STATE304810  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** EA/PHL:KWBLEAKLEY  
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**Errors:** N/A  
**Expiration:**  
**Film Number:** D770477-0524  
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**Office:** ORIGIN EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Retention:** 0  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DEFENSE RATION CONTROL SYSTEM  
**TAGS:** MILI, RP  
**To:** DOD  
**Type:** TE  
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